

Notice of Intent to Certify Sole Source

To: Interested Parties

From: David C. Johnson

CC: ITS Project Number 46309

Date: April 8, 2021

Re: Sole Source Certification Number 4382 to provide Pitney Bowes software licenses, maintenance, and subscriptions for the Mississippi Department of Revenue (DOR)

Contact Name: Jay Woodruff

Contact Phone Number: 601-432-8001

Contact E-mail Address: jay.woodruff@its.ms.gov

Sole Source Certification Award Details

Regarding Information Technology Services (ITS) Sole Source Certification Number 4382 for the Mississippi Department of Revenue (DOR), please be advised that ITS intends to award Pitney Bowes Inc. and Pitney Bowes Software Inc., wholly owned subsidiaries of Precisely Software Incorporated, as the sole source provider of Pitney Bowes software licenses, maintenance, and subscriptions through April 14, 2024, in an amount not to exceed \$191,048.45. Please be advised that ITS will determine if additional licenses, subscriptions, or maintenance are within scope during the certification period and may increase the spending authority accordingly. Should Pitney Bowes Inc. or Pitney Bowes Software Inc. change their name during this certification period, then ITS will determine if a recertification is necessary. For an explanation regarding Mississippi state law, policy and procedures for sole source procurements, refer to Attachment C: Sole Source Procurement Overview.

Sole Source Criteria

1. The product or services being purchased must perform a function for which no other product or source of services exist:

The Mississippi Department of Revenue (DOR) has been using the Pitney Bowes Direct Connect (DC) proprietary operating system to process mail insertion of constituent communications on Pitney Bowes (PB) 8 Series and Rival Series mail insertion systems since 2014. The Pitney Bowes software licenses, maintenance, and subscriptions that are being requested are made by Pitney Bowes and are the only ones that will run on the existing DOR owned Pitney Bowes hardware. The PB 8 Series and Rival Series systems were upgraded with a 2D camera and DCVerify-Filebase software. The high integrity upgrade allowed DOR to add 2D barcodes to documents that could be read by the 2D cameras. DC Verify functionality on the

inserters require the creation of a Mail Run Data File (MRDF) with a specific mail piece record and unique Intelligent Mail Bar Code (IMb) to enable a process to track critical constituent mail from creation tag to ingestion in to the US Postal Service (USPS) network. To provide an electronic audit trail, each “touch point” from print file and MRDF creation, to USPS scanning of the IMb will be facilitated using Pitney Bowes Production Intelligence and Mailware software to tie each specific constituent mail piece back to the creation and entry in to the USPS network and delivery. As part of the integrated Mail creation process, the Pitney Bowes MailStream Plus, along with Verimove Access, presorts the mail prior to printing to ensure that the State of Mississippi receives the maximum postal discounts for mail preparation in ZIP code presort sequence. Palletization Plus is used in the postal coding process for MailStream Plus. MailStream Plus uses Mail360 Manager for formatting data to be sent to Mail 360 Data Manager which is used for receiving and reporting Postal data from the USPS for each mailpiece. Valid addresses are maintained by a monthly update from the Mail Stream Plus Postal Reference File Subscription. After the mail is printed, inserted, and placed into mail trays, the Tag Printing System produces tray tags to route the entire tray either individually or on a shipping pallet through the US Postal System (USPS) to the destination post office. The Manifest Reporting Plus software maintains a complete log of all mail pieces for actual postage billing from the USPS. The customer’s sole source certification request is included as Attachment A.

2. The purchaser must be able to show specific business objectives that can be met only through the unique product or services:

DOR must be able to track the USPS mail dates on assessments and Review Board letters as required by House Bill (HB) 799 from the 2014 Legislative Session. Through the continued purchase of software licenses, software maintenance, software subscriptions, and hardware maintenance, the DOR is able to achieve compliance with the legislative mandate using the Pitney Bowes Direct Connect (DC) proprietary operating system to process mail insertion of constituent communications on Pitney Bowes (PB) 8 Series and Rival Series mail insertion systems. The customer’s sole source certification request is included as Attachment A.

3. The product or services must be available only from the manufacturer and not through resellers who could submit competitive pricing for the product or services:

Pitney Bowes software is the proprietary property of Pitney Bowes Software Inc. (PBSI) and is the owner, developer, and manufacturer of the source code. No other vendor has end user distribution rights to the source code. PBSI is the only vendor that has the ability and expertise to support the source code for the purposes of maintenance services, including Software updates, enhancement, bug fixes, and standard technical support issues. For subscription services, the subscription data is manipulated by PBSI to operate with the proprietary nature of the Software. The Vendor’s sole source certification letter is included as Attachment B.

Schedule

Task	Date
First Advertisement Date	03/30/21
Second Advertisement Date	04/06/21
Posting of Notice of Intent to Certify Sole Source Memorandum	04/08/21
Response Deadline From Objectors	04/22/21 at 3:00 P.M. Central Time
Notice of Award/No Award Posted	Not before 04/23/21

Project Details

In December 2013, DOR issued Invitation for Bid (IFB) Number 2014-01 through the Mississippi Department of Finance and Administration (DFA) for mail processing hardware and the award was made to Pitney Bowes Inc. During the 2014 Legislative Session, HB799 was passed which required DOR to track the USPS mail dates on assessments and Review Board letters. In March 2015, ITS gave purchase approval to DOR for the hardware and software through then-approved sole source certification procedures. ITS, on behalf of DOR, executed an agreement with Pitney Bowes Inc. and Pitney Bowes Software Inc. to purchase hardware and software for the inserter of existing equipment in the DOR print shop that confirms the mail date is prepared for delivery to meet the January 1, 2015 legislative mandate.

In May 2018, ITS issued Sole Source Certification Number 4092. No objections were received and Pitney Bowes Inc. and Pitney Bowes Software Inc. was certified as the sole source provider of Pitney Bowes software licenses, software maintenance, software subscriptions, and hardware through June 30, 2021. The total spent to date is \$802,676.82. The current Agreement expires April 14, 2021.

In December 2019 Syncsort Incorporated (SSI) purchased Pitney Bowes Software Inc. (PBSI) from Pitney Bowes, Inc. (PBI). PBSI became a wholly owned subsidiary of SSI. In March 2021, SSI legally changed its name to Precisely Software Incorporated. SSI's purchase agreement with PBI limited the timeframe in which PBSI was permitted to use the PBI logo. That time frame has passed and the PBI logo will not appear on any future correspondence, quotes, sole source letters, or invoices.

Submission Instructions and Format of Response from Objecting Parties

Interested parties who have reason to believe that the Pitney Bowes software licenses, software, and subscriptions should not be certified as a sole source should provide information in the following format for the state to use in determining whether or not to proceed with awarding the Sole Source contract to Pitney Bowes Inc. and Pitney Bowes Software Inc wholly owned subsidiaries of Precisely Software Incorporated.

1.1 Interested Party Information

1.1.1 Contact Name, Phone Number and email address

1.1.2 Company Website URL, if applicable

1.2 Objection to Sole Source Certification

- 1.2.1 Interested parties must present specific objections to the Sole Source certification using the criteria listed above.
- 1.2.2 A statement regarding the Interested Party's capabilities as related to this Sole Source Certification Request.
- 1.3 Comments will be accepted at any time prior to Thursday, April 22, 2021, at 3:00 p.m. (Central Time) to Jay Woodruff at jay.woodruff@its.ms.gov or at the Mississippi Department of Information Technology Services, 3771 Eastwood Drive, Jackson, Mississippi 39211. Responses may be delivered by hand, via regular mail, overnight delivery, e-mail or by fax. Fax number is (601) 713-6380. ITS WILL NOT BE RESPONSIBLE FOR DELAYS IN THE DELIVERY OF RESPONSES. It is solely the responsibility of the Interested Parties that responses reach ITS on time. Interested Parties may contact Jay Woodruff to verify the receipt of their Responses. Responses received after the deadline will be rejected.
- 1.4 Interested Party responses should include the following information:

SUBMITTED IN RESPONSE TO
Sole Source Certification No. 4382-46309
Accepted until April 22, 2021@ 3:00 p.m.,
ATTENTION: Jay Woodruff

If you have any questions concerning the information above or if we can be of further assistance, please contact Jay Woodruff at 601-432-8001 or via email at jay.woodruff@its.ms.gov.

Attachment A: Customer Sole Source Certification Request
Attachment B: Vendor Correspondence
Attachment C: Sole Source Procurement Overview

Sole Source Certification Request

Project Title: Pitney Bowes Sole Source		Stimulus (ARRA) Funds? Yes_ No _X_	
Customer Contact Information			
Agency/Public University: MS Department of Revenue Address: 500 Clinton Center Road, Clinton, MS 39056		Contact Person: Mickey Yates Phone: 601-923-7493 Email Address: mickey.yates@dor.ms.gov	
MAGIC Customer Number (only required from state agencies): 7000000082		Division/Dept.: Handmail: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
<p>Project Summary Narrative Description of Project (include details of original acquisition if applicable): In December 2013, DOR issued Invitation for Bid (IFB) Number 2014-01 through the Mississippi Department of Finance and Administration (DFA) for mail processing equipment and the award was made to Pitney Bowes Inc. During the 2014 Legislative Session, HB799 was passed which required DOR to track the USPS mail dates on assessments and Review Board letters. In March 2015, DOR requested from ITS and received a sole source certification to purchase the hardware and software. ITS on behalf of DOR executed an agreement with Pitney Bowes Inc. and Pitney Bowes Software Inc. to purchase hardware and software for the inserter of existing equipment in the DOR print shop that confirms the mail date is prepared for delivery to meet the January 1, 2015 legislative mandate.</p> <p>In May 2018, ITS issued Sole Source Certification Number 4092. No objections were received, and Pitney Bowes Inc. and Pitney Bowes Software Inc. were certified as the sole source provider of Pitney Bowes software licenses, software maintenance, software subscriptions, and hardware through June 30, 2021. The total spent to date is \$1,025,951.08. The current Agreement expires on April 14, 2018.</p> <p>DOR wishes to purchase Pitney Bowes software, software, and subscriptions for three years from Pitney Bowes Software Inc. to be able to continue to track the USPS mail dates as required by HB799 of the 2014 Legislative Session.</p>			
ITS Acquisition Approval (CP-1) should be effective through this date (Please allow time for all vendor invoices to be paid):			
Cost Estimates <i>Fiscal Year</i>	Initial Costs	Ongoing Costs	Time Constraints Item Needed by: April 14, 2021 Funds Expire: Anticipated Lifecycle of Products/System (i.e. estimated years of effective use): 3 Years
Year 1	\$140,445.53		Discuss Funding (e.g. how much of needed funding is definite; total project budget; any matching or other non state funds). This project is using general funds.
Year 2		\$25,301.46	
Year 3		\$25,301.46	
Total	\$140,445.53	\$50,602.92	
Acquisition Details			
Items Requested	Quantity	Description	Building Location(s)
Software Maintenance	1		
Data Subscription Fees	1		
Describe platform & infrastructure (connectivity; software/hardware platforms; utilization of State Data Center resources: mainframe, eGovernment portal, payment engine, document management, hosting). For equipment or hosting outside the State Data Center, attach justification: The physical equipment will be located at DOR.			
Progress to Date: What has been done related to this project, including any communication with ITS staff (data/voice/procurement/other)? A procurement project number has been generated by ITS. Project # 46309			
Sole Source Certification Note: Certification must be renewed for each revision or continuation of previous Sole Source Approvals.			
Specific business requirements to be met by the requested products or services: DOR must be able to track the USPS mail dates on assessments and Review Board letters as required by House Bill (HB) 799 from the 2014 Legislative Session. Through the continued purchase of software licenses, software maintenance, software subscriptions, and hardware maintenance, the DOR is able to achieve compliance with the legislative mandate using the Pitney Bowes Direct Connect (DC) proprietary operating system to process mail insertion of constituent communications on Pitney Bowes (PB) 8 Series and Rival Series mail insertion systems.			
Explain why these products or services are the only ones that can meet your needs (include unique features/special functionality): The Mississippi Department of Revenue (DOR) has been using the Pitney Bowes Direct Connect (DC) proprietary operating system to process mail insertion of constituent communications on Pitney Bowes (PB) 8 Series and Rival Series mail insertion systems since 2014. The PB 8 Series and Rival Series systems were each upgraded with a 2D camera and DCVerify-Filebase software. The high integrity upgrade allows DOR to add 2D barcodes to documents which can be read by the 2D cameras. DC Verify functionality on the inserters require the creation of a Mail Run Data File (MRDF) with a specific mail piece record and unique Intelligent Mail Bar Code (IMb) to enable a process to track critical constituent mail from creation to ingestion in to the US Postal Service (USPS) network. To provide an electronic audit trail, each "touch point" from print file and MRDF creation, to USPS scanning of the IMb will be facilitated using Pitney Bowes Production Intelligence and Mailware software to tie each specific constituent mail piece back to the creation and entry in to the USPS network and delivery. As part of the integrated Mail creation process, the Pitney Bowes MailStream Plus presorts the mail prior to printing to ensure that the State of Mississippi receives the maximum postal discounts for mail preparation in ZIP code presort sequence.			

Attachment A

After the mail is printed, inserted, and placed into mail trays the Tag Printing System produces tray tags to route the entire tray either individually or on a shipping pallet, through the US Postal System (USPS) to the destination post office. The Manifest Reporting Plus software maintains a complete log of all mail pieces for actual postage billing from the USPS.

Explain why the source is the only entity that can provide the products or services (Include other products/vendors researched or evaluated):
 Pitney Bowes software is the proprietary property of Pitney Bowes Software Inc. (PBSI) and is the owner, developer, and manufacturer of the source code. No other vendor has end user distribution rights to the source code. PBSI is the only vendor that has the ability and expertise to support the source code for the purposes of maintenance services, including Software updates, enhancement, bug fixes, and standard technical support issues. If subscription services are applicable, the subscription data is manipulated by PBSI to operate with the proprietary nature of the Software.

Vendor's Certification of Sole Source attached: ☒ Yes ☐ No

Vendor's proposal submitted: ☒ Yes ☐ No

MAGIC Vendor Code(s) Vendor must be in MAGIC before a CP-1 can be issued.

Place Order To

Remit To

Vendor Name: Pitney Bowes Inc.

Vendor Name: Pitney Bowes Inc.

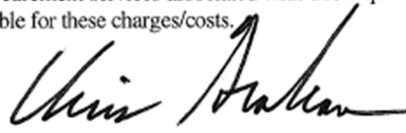
Vendor Address: 350 Jordan Rd, Troy, NY 12180

Vendor Address: 350 Jordan Rd, Troy, NY 12180

By my signature, I certify that, to the best of my professional knowledge: the requested product or services are a sole source as outlined in the ITS Procurement Handbook, Rule 207.2:013-030 Procurement Types: Sole Source, and as outlined in Mississippi Code annotated Section 31-7-13. In addition, I acknowledge that there is a charge for ITS procurement services associated with this request which will be billed to the requestor by ITS and that my agency/public university is responsible for these charges/costs.



Name (Agency Head or Public University CIO)/Title

 4/9/21

Signature

Date

Attachment B

DocuSign Envelope ID: 15F2F1A3-22A1-403D-B587-2C0DD7E32F33

February 10, 2021

Mississippi Department of Revenue
500 Clinton Center Drive,
Clinton, MS 39056

Customer Acct #: 0004799043

SOLE SUPPLIER CERTIFICATION

This is to certify that the computer software program(s) identified in Exhibit A below (the "Software"), are proprietary property of **Pitney Bowes Software Inc.**, ("Supplier") or an affiliate thereto. Supplier or its affiliate is the owner, developer, and manufacturer of the source code to the Software and has exclusive rights to distribute the source code for the Software or authorize affiliates and resellers to distribute the Software on Supplier's behalf. No other vendor has end user distribution rights to the source code.

Supplier is the only vendor that has the ability and expertise to support the source code for the Software for the purposes of maintenance services, including Software updates, enhancement, bug fixes, and standard technical support issues. If subscription services are applicable, the subscription data is manipulated by Supplier to operate with the proprietary nature of the Software and Supplier has been legally granted the rights by its third party suppliers to sublicense such data for use with Software.

"Software"
See Attached Schedule A

DocuSigned by:

8323726397A8486
By: _____
Name: **Genique McCutcheon**
Title: **US Manager, Entitlement & Contracts**

DocuSign Envelope ID: 15F2F1A3-22A1-403D-B587-2C0DD7E32F33

Schedule A

Software	Operating System
MailStream Plus MailStream Plus Term	Windows
Engage One Inform Mail 360 MGR Term	Windows
MailStream Plus Palletization Plus-Term	Windows
MailStream Plus Manifest Reporting Plus-Term	Windows
MailStream Plus Tag Print System II/TPSII-Term	Windows
MailStream Plus Palletization Plus-Maintenance (TL)	Windows
MailStream Plus Manifest Reporting Plus-Maintenance (TL)	Windows
MailStream Plus Tag Print System II/TPSII-Maintenance (TL)	Windows
MailStream Plus Manifest Reporting Plus-Term	Windows
MailStream Plus Manifest Reporting Plus-Maintenance (TL)	Windows
Spectrum OnDemand On-Demand-SaaS	Windows
Spectrum OnDemand Prepay - Annual Minimum of USD2500-SaaS	Windows
EngageOne Inform MAIL360 USPS ANNUAL FEE-Subscription	Windows
MailStream Plus Postal Reference file-Subscription	Windows



April 7, 2021

Jay Woodruff
Technology Consultant
Mississippi Department of Revenue
500 Clinton Center Drive,
Clinton, MS 39056

Dear Mr. Woodruff,

It has come to my attention that the Mississippi Department of Revenue ("State") requires additional information beyond what has already been provided with respect to the legal entity relationships.

As you have been made aware, as set out in <https://www.precisely.com/press-release/syncsort-completes-acquisition-of-the-pitney-bowes-software-and-data-business>, Syncsort Incorporated ("SSI") purchased Pitney Bowes Software Inc. ("PBSI") from Pitney Bowes, Inc. ("PBI"). SSI therefore became the parent company of PBSI. PBSI did not get merged into SSI and kept its going concern and Tax Identification Number. PBSI simply became a wholly owned subsidiary of SSI.

SSI announced on May 14, 2020 to rebrand itself as Precisely <https://www.precisely.com/press-release/precisely-launch>. At the time this was simply a brand name and not a legal entity name. As of March 26, 2021, SSI has legally changed its name to Precisely Software Incorporated. SSI's purchase agreement with PBI limited the timeframe in which PBSI was permitted to use the PBI logo. That time frame has since passed and thus the reason why the State will not see the logo on any correspondence, including quotes, sole source letters and invoices.

We trust this is sufficient for the State to accept the sole source letter as many other states have accepted, including the federal government.

Regards,

A handwritten signature in black ink, appearing to read 'Gregg M. Holtzman', is written over a horizontal line.

Gregg M. Holtzman
Managing Director, Global Contracts

"

The acquisition of information technology for all state agencies and institutions of higher learning (IHLs) is within the scope of the ITS law, found in Mississippi Code Section 25-53-1, et seq., and the policies and procedures established in accordance with this statute, found in the ITS Procurement Handbook posted on the ITS website (www.its.ms.gov).

ITS enabling legislation requires that information technology hardware, software and services be acquired in a manner that insures the maximum of competition among all manufacturers and suppliers of such equipment and services. Accordingly, ITS promotes full and open competition through the issuance of open specifications and the objective evaluation of Interested Party proposals to determine the lowest and best offering to meet an agency's or public university's business requirements. True competition protects the integrity and credibility of purchasing in the public sector and is essential in providing best value and adequate contractual protection for the purchasing entity. In certain limited situations, information technology acquisitions may be sole-sourced.

ITS utilizes the provisions of Public Purchasing Law for Sole Source and Emergency procurements of information technology. Mississippi Public Purchasing Law (Mississippi Code Section 31-7-13) specifies that noncompetitive items available from one source only be exempted from bid requirements (sole-sourced). ITS statute, in Section 25-53-5 (p), permits ITS to utilize provisions in Public Purchasing Law or regulations, when applicable.

Per Public Purchasing law, acquisitions must meet the following criteria to be authorized as sole source:

1. The product or services being purchased must perform a function for which no other product or source of services exists,
2. The purchaser must be able to show specific business objectives that can be met only through the unique product or services, AND
3. The product or services must be available only from the manufacturer and NOT through resellers who could submit competitive pricing for the product or services. The vendor's correspondence regarding this criterion for this project is included as Attachment B.

By policy as documented in the ITS Procurement Handbook, acquisitions of IT services must include the following information to be authorized as sole source:

1. An explanation about why the amount to be expended is reasonable, and
2. An explanation regarding the efforts by the purchaser to obtain the best possible price.

For state agencies, approval of all technology purchases with a lifecycle cost of \$5,000 or less, including sole source purchases, has been delegated to the agency. The ITS Procurement Limits Policies for Agencies (a section in the ITS Procurement Handbook) require a minimum of two competitive written bids or proposals for technology purchases with a lifecycle cost over \$5,000 but not over \$50,000 (not over \$25,000 for projects funded by the American Recovery and Reinvestment Act). Since, for single source items, the procuring agency will be unable to obtain two written bids, ITS must certify all sole source acquisitions of information technology with a lifecycle cost greater than \$5,000.

Institutions of Higher Learning (IHLs) or public universities have been delegated the authority to certify sole source procurements up to \$250,000 lifecycle cost under the ITS Procurement Limits Policies for IHLs (a section in the ITS Procurement Handbook). For the certification of sole source procurements delegated to the CIOs at public universities, the public university must follow ITS' Sole Source Procedure, including advertisement of the intent to award as sole source. Institutions certifying a sole source purchase must ensure the criteria listed above are met and documented

Attachment C

in writing by the institution and the Interested Party prior to certifying a product or service as sole source. Sole source documentation must be reviewed and approved by the IHL's CIO for any sole-source certification above \$5,000. All sole source documentation should be retained in the public university's procurement file. Sole source requests above \$250,000 lifecycle cost require ITS approval.

Other than the delegations outlined above, all sole source technology procurements must be certified by ITS. The customer's Sole Source Certification Request for this project is included as Attachment A.

ITS thoroughly reviews Sole Source Certification Requests, determining if competing products and/or services exist. If so, ITS conducts a competitive procurement. If ITS' review confirms the sole source, then a Sole Source advertisement is issued, giving other Interested Parties an opportunity to identify competing products and/or services. Based upon the results of the Sole Source advertisement, ITS will either certify the request as a sole source or conduct a competitive procurement.